GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:437
ANSWERED ON:04.05.2007
AMENDMENT OF CST ACT,1956
Singh Kunwar Rewati Raman

Will the Minister of FINANCE be pleased to state:

(a) whether the Government proposes to amend Central Sales Tax Act, 1956 to withdraw the tax break benefit for PSUs;

(b) if so, the details in this regard;

(c) whether the move will make their out-of-State purchases a lot more expensive and whether the States would also be affected;

(d) if so, the details thereof and whether the States have been consulted; and

(e) whether it will ultimately make the products and services more expensive for the consumers?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI P. CHIDAMBARAM)

(a)to (e): A Statement is laid on the Table of the House.

STATEMENTIN RESPECT OF LOK SABHA STARRED QUESTION NO. 437 DATED 04.05.2007 TABLED BY SHRI REWATI RAMAN SINGH, REGARDING `AMENDMENT OF CST ACT, 1956`.

(a) & (b): There is no proposal to amend the Central Sales Tax Act, 1956 to withdraw the tax break benefits for PSUs. In fact, no special tax breaks are available to the PSUs under the CST Act, 1956. The provisions of the CST Act, 1956, as amended by the Taxation Laws (Amendment) Act, 2007 apply uniformly to all tax payers, irrespective of whether they are in Public Sector or in Private Sector.

(c) to (e): The question does not arise.